

EXECUTIVE SUMMARY – *RECOMMENDATION:*



The Energy Commission Committee, Commissioner Arthur Rosenfeld, Presiding, and Commissioner Robert Laurie, recommend approval of the Valero Refining Company's proposed 102 megawatt (MW) cogeneration project in Benicia, California, together with the following highlighted measures to mitigate potential environmental and community impacts:

ENERGY RESOURCES:

- ✓ The cogeneration project will effectively take the Valero Refinery "off the grid" providing energy independence and reliability for the refinery and freeing capacity for other electricity users.
- ✓ The cogeneration project will use refinery fuel gas produced by refinery processes, thus freeing natural gas for other users.
- ✓ The cogeneration project will produce steam for refinery processes, retiring as many as three existing older boilers.

AIR QUALITY:

- ✓ The power plant will use state-of-the-art Best Available Control Technology to minimize emissions.
- ✓ Complete offsets, mostly provided from refinery operations, will be used to compensate for any pollutant for which the Bay Area is non-attainment.

WATER RESOURCES:

- ✓ Valero will convert the cogeneration project to reclaimed wastewater and/or reduce overall refinery water consumption at the refinery to offset the project's use of fresh water supplies from the City of Benicia.

LAND USE:

- ✓ Use of the existing Valero Benicia refinery site, plus its existing transmission lines, will keep the cogeneration project in an already industrial area.

VISUAL:

- ✓ Structures will be painted in colors compatible with the refinery.
- ✓ Shields on plant lighting will minimize nighttime glare.

Dated: August 30, 2001

ENERGY RESOURCES CONSERVATION AND
DEVELOPMENT COMMISSION

ARTHUR H. ROSENFELD
Commissioner and Presiding Member
Valero AFC Committee

ROBERT A. LAURIE
Commissioner and Associate Member
Valero AFC Committee